

## Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



FRANKLIN  
TEMPLETON

# FTF ClearBridge US Equity Income Fund

Class X Income (Hedged)

ISIN: GB00B743CW91

**A sub-fund of:** Franklin Templeton Funds II (the "Company")

**Managed by:** Franklin Templeton Fund Management Limited, part of the Franklin Templeton group of companies.

## Objectives and Investment Policy

### Objective

- The fund's goal is to achieve income and growth of the fund's value over a rolling 3 - 5 year period.
- The fund's goal is not guaranteed, the goal may not be achieved, as the fund may suffer losses and you may not get back the amount originally invested.

### Investment Policy

- The fund will invest at least 70% in shares of US companies, which the investment manager believes will maintain or increase their dividends over the longer term with a view to obtaining a high level of income.
- The fund may invest up to 20% of its assets in shares of non-US companies.
- The fund may invest in bonds issued by corporations, to a maximum of 30%, when the investment manager believes such investments provide a compelling income opportunity.

### Share Class Policy

- For this share class, the fund will use derivatives to help to reduce the risk of movements in exchange rates between the currencies that are significant to the fund's investment strategy and the currency of the

share class (hedging). Hedging transactions can expose the share class to additional risks which may result in loss to your investment.

**Benchmark:** S&P 500 Index

**Manager's Discretion:** The fund is actively managed. The investment manager has discretion in selecting investments within the fund's objective and investment policies. The benchmark is used for performance comparison purposes. While many of the fund's securities will be components of the benchmark, the weightings of the holdings may differ materially from the weightings in the benchmark. The fund may also invest in securities that are not included in the benchmark. The fund's percentage exposures to sectors and industries may differ materially from those of the benchmark.

**Recommendation:** This fund may not be appropriate for investors who plan to withdraw their money within 5 years.

**Dealing Frequency:** You can buy, sell and switch your shares on each day that the London Stock Exchange is open for business.

**Minimum Initial Investment:** For this share class the minimum initial investment is GBP 3,000.

**Treatment of Income:** For this share class net income is declared and paid quarterly to shareholders.

## Risk and Reward Profile



The indicator is based on the volatility of the returns (past performance) of the reported share class (calculated on a 5 year rolling return basis). Where a share class is inactive / has less than 5 years of returns, the returns of a representative benchmark are used.

There is no guarantee that the fund will remain in the indicator category shown above and the categorisation of the fund may shift over time. Historical data, which is used in calculating the indicator, may not be a reliable indicator of the future risk profile of this fund.

The lowest category does not mean a risk-free investment.

The fund does not offer any capital guarantee or protection and you may not get back the amount invested.

The fund is in its risk/reward category because investments in shares of US companies from various sectors have historically been subject to relatively large fluctuations in value.

**The fund is subject to the following risks which are materially relevant but may not be adequately captured by the indicator:**

**Investment in company shares:** The fund invests in shares of companies, and the value of these shares can be negatively affected by changes in the company, its industry or the economy in which it operates.

**Bonds:** There is a risk that issuers of bonds held by the fund may not be able to repay the investment or pay the interest due on it, leading to

losses for the fund. Bond values are affected by the market's view of the above risk, and by changes in interest rates and inflation.

**Geographical focus:** This fund invests primarily in the United States, which means that it is more sensitive to local economic, market, political or regulatory events in the United States, and will be more affected by these events than other funds that invest in a broader range of regions.

**Fund operations:** The fund is subject to the risk of loss resulting from inadequate or failed internal processes, people or systems or those of third parties such as those responsible for the custody of its assets.

**Annual management charge from capital:** The fund's annual management charge is taken from its capital (rather than income). This may adversely affect the fund's overall growth.

**Charges from capital:** The fund's fees and expenses may be taken from its capital (rather than income). This will result in an increase in income available for distribution to investors. However, this will forego some of the capital that the share class has available for future investment and potential growth.

**Hedged class currency:** The value of your investment may fall due to changes in the exchange rates between the currencies that are significant to the fund's investment strategy and the currency of your share class, pound sterling. The investment manager will try to protect the value of your investment against such changes, but it may not succeed.

**Derivatives:** The use of derivatives can result in greater fluctuations of the share classes value and may cause the share class to lose as much as or more than the amount invested in the derivatives.

**For further explanation on the risks associated with an investment in the fund, please refer to the section entitled "Risk Factors" in the prospectus.**

## Charges

One-off charges taken before or after you invest	
Entry charge	none
Exit charge	none
This is the maximum that might be taken out of your money before it is invested (entry charge) and before the proceeds of your investment are paid out (exit charge).	
Charges taken from the fund over a year	
Ongoing charge	0.89%
Charges taken from the fund under certain specific conditions	
Performance fee: none	

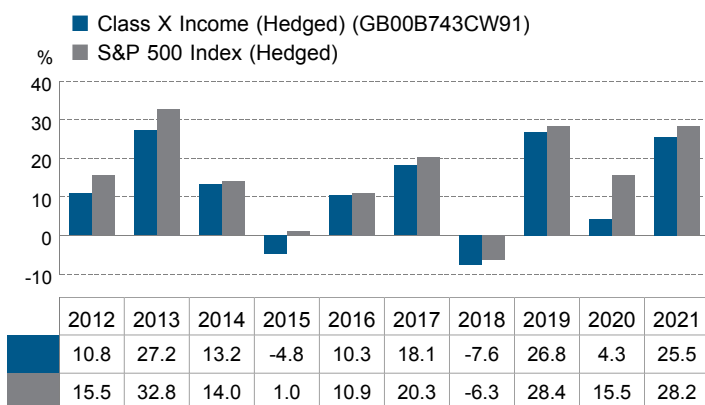
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

Entry and exit charges shown are the maximum that might be taken out of your money. In some cases, you might pay less and you should speak to your financial adviser about this.

The ongoing charge is based on expenses for the 12 month period ending January 2022. This figure may vary over time.

For more information about charges, please see the 'Fees and Expenses' section in the fund's prospectus and relevant appendix.

## Past Performance



The fund was launched on 17 October 2011 and the share class began issuing shares on 17 October 2011.

Past performance has been calculated in GBP.

The performance reflects all fees and charges payable by the fund but does not reflect any entry or exit charge that might be payable. For performance purposes only, any distributed income has been reinvested. Past performance is no guide to future returns and may not be repeated.

Further information on the fund's performance is available at [www.franklintempleton.com](http://www.franklintempleton.com).

## Practical Information

**Depository:** The Bank of New York Mellon (International) Limited

**Further Information:** Additional information about the Company (including the prospectus, annual and half-yearly reports and accounts and the remuneration policy) may be obtained in English free of charge upon request to Franklin Templeton Fund Management Limited, Cannon Place, 78 Cannon Street, London EC4N 6HL and at [www.franklintempleton.com](http://www.franklintempleton.com).

**Price Publication:** The latest share price is published at [www.franklintempleton.com](http://www.franklintempleton.com).

**Tax Legislation:** The fund is subject to the tax law and regulation of the UK. Depending on your own country of residence, this might have an impact on your personal tax position. For further details, please speak to your financial adviser.

**Liability Statement:** Franklin Templeton Fund Management Limited, the authorised corporate director of the Company, may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the fund.

**Structure:** The Company has a number of different sub-funds. The assets and liabilities of each sub-fund are segregated by English law from the assets and liabilities of each other sub-fund. The prospectus and the periodic reports are prepared for the Company as a whole.

**Switching Between Funds:** You are entitled to exchange your investment in the fund for shares in another sub-fund of the Company. You may be required to pay a switching charge for this. Further information on how to exercise this right can be found in the prospectus.

This fund is authorised in the United Kingdom and regulated by the Financial Conduct Authority. Franklin Templeton Fund Management Limited is authorised in the United Kingdom and regulated by the Financial Conduct Authority. This key investor information is accurate as at 11/07/2022.